



Klein Calls for Reform to Protect Investors from Ponzi Schemes

Washington, DC – Congressman Ron Klein (FL-22) today submitted the following statement for the record for a hearing of the House Financial Services Committee. The hearing, titled "Federal and State Enforcement of Financial Consumer and Investor Protection Laws," focused on protecting investors from schemes such as the fraud perpetrated by Bernard Madoff and other criminals. In his statement, Congressman Klein focused on the impact the Madoff scheme had on individuals and charities in South Florida. The full statement follows.

**Statement of Congressman Ron Klein (FL-22)
Hearing of the House Financial Services Committee
Federal and State Enforcement of Financial Consumer and Investor Protection Laws
Submitted for the Record March 21, 2009**

Mr. Chairman, thank you for holding such an important hearing on the enforcement of financial consumer and investor protection laws. This is a critical first step towards protecting Americans from fraud.

Mr. Madoff's Ponzi scheme, thought to be the largest securities fraud in modern history, has defrauded thousands of people, including many in my Congressional district. The Stanford Financial Group also conducted a large Ponzi scheme that claimed victims in my district.

Mr. Madoff has now pleaded guilty for his crimes and will spend the rest of his life in jail. The prosecution of employees of the Stanford group is currently underway. It is essential to bring these criminals to justice, yet we must make every effort to recover the maximum amount of funds that have been stolen. Some of my constituents have lost their entire life savings because the government did not protect them from these charlatans, and they need our help.

Individual investors were not the only ones to lose their savings. Charities across South Florida had to close their doors because they lost everything, taking away the resources of organizations that made significant contributions to the community.

This is why we must ensure that our financial regulatory structure prevents frauds such as these from ever happening again. If there is anything we have learned from the Madoff scandal, it is that we need smarter regulation and greater oversight. Federal and state regulatory agencies and law enforcement officials must have the tools and resources necessary to detect and prosecute financial institutions and individuals that commit fraud.

I hope that we can craft policies that will help restore trust in our system. Investments help drive our economy, and people should be able to invest without the fear of being swindled.

I look forward to a productive discussion on how we can prevent this type of fraud from ever happening again.

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